



1331 MORENA BLVD

Sale of the Leased Fee Interest

Land Use & Housing Committee Meeting
July 20, 2011

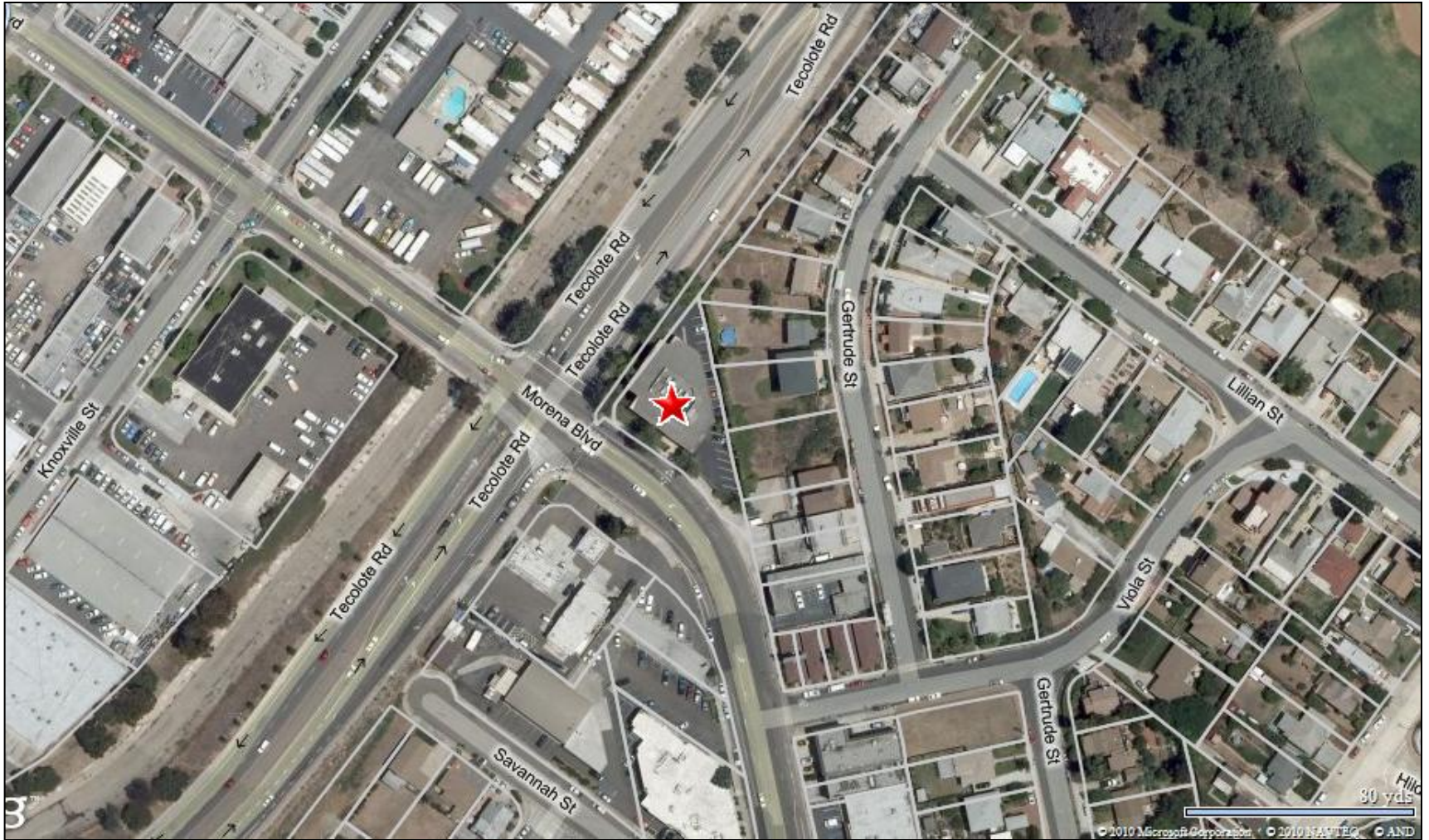


ITEM

Authorize the sale of City-owned land located at 1331 Morena Boulevard Street, San Diego, CA, at a minimum price of \$1,350,000.

Authorize payment of a real estate commission to CB Richard Ellis in the amount of three percent of the final sale price.

The City of
San Diego
America's Finest City





LEASED FEE

- 0.42 Acres of City land is being leased to a tenant that built an office building on it.
- The City's interest is in the underlying land.
- The tenant owns the improvements (the building), the City is selling the land only.



ITEM BACKGROUND

- The Property is an excess portion of a larger parcel purchased with Gas Tax funds in 1957 for the widening of Morena Boulevard.
- In 1983, the land was ground leased for 50 years to Tecolote Associates, who constructed a 10,496 SF, 2-story office building on the Property. Tecolote Associates ground lease expires 6/30/33.
- The current rent is \$104,490/year.
- The rent is deposited into the Gas Tax Street Improvement Fund.
- Sale proceeds will be deposited into the Gas Tax Street Improvement Fund.



APPRAISED VALUE

- Minimum sale price of \$1,350,000 was determined by qualified, independent MAI appraiser.
- Pursuant to Council Policy 700-10, if the sale is approved by Council, the property may be sold at or above \$1,350,000 without further Council approval.



REAL ESTATE BROKER

RFP generated two competitive proposals.

CB Richard Ellis was selected as the best value; combination of quality of proposal and price.

Sale commission is three percent of the sale price.



ACTION REQUESTED

Recommend Approval & Forward to Council for Consideration:

- Authorize the sale of the City property located at 1331 Morena Boulevard, San Diego, CA, at a minimum price of \$1,350,000.
- Authorize payment of a real estate broker commission of three percent of the final sale price to CB Richard Ellis.